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UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA

HENAN LOUIS JOOF, an individual,)	Case No.:
AKOP SOGOMONYAN, an individual,)	
individually and on behalf of similarly)	CLASS ACTION ALLEGATION
situated California consumers;)	COMPLAINT
)	1. Negligence
Plaintiffs,)	2. Negligent Misrepresentation
)	3. Willful Violation of FCRA
v.)	4. Negligent Violation of FCRA
)	5. Willful Violation of CCRAA
EQUIFAX INC., a Georgia corporation;)	6. Negligent Violation of CCRAA
)	
Defendant.)	
)	JURY TRIAL DEMANDED
)	
)	

Henan Louis Joof and Akop Sogomonyan (collectively “Plaintiffs”),
 individually and on behalf of a class of all similarly situated consumers in California
 (“Class”) assert the following claims against Equifax Inc. (“Defendant”) and in
 support thereof, state as follows:

PARTIES

1. Plaintiffs are individual consumers who at all times relevant herein resided in the State of California, County of Los Angeles.

2. Defendant Equifax Inc. is a Georgia corporation, a consumer credit reporting agency who conducts business in United States.

JURISDICTION AND VENUE

3. This Court has jurisdiction pursuant to 28 U.S.C. § 1332 because the Class consists of more than 100 members, the amount at issue is more than \$5 million exclusive of interest and costs; and minimal diversity exists because at list one Plaintiff is a citizen of a different state than Defendant.

4. Venue is proper under 28 U.S.C. § 1391 because a substantial number of California consumers whose credit and personal information is stored by Defendant live in the County of Los Angeles.

STATEMENT OF FACTS

5. Defendant is a consumer credit reporting agency considered one of the three biggest credit reporting agencies in the United States.

6. Defendant collects and stores personal and credit information of millions of consumers residing in the United States. The collected and stored information includes consumers' social security information, address, date of birth, and credit card information.

7. Throughout the last years Defendant collected and stored the personal and credit information of Plaintiffs and all the consumers included in the Class.

8. On September 7, 2017, Equifax announced a cybersecurity incident potentially impacting 143 million US residents. From May to July 2017, third parties hacked Defendant's security system and accessed Defendant's database containing protected financial, personal, and credit information of millions of consumers.

9. Defendant, as a credit reporting agency that stores financial, personal, and

1 credit information of millions of customers, owed a duty to consumers like Plaintiffs
2 to build and maintain a secure network to protect private consumer information from
3 third party unauthorized access.

4 10. Defendant states in its Privacy Policy that it has reasonable physical,
5 technical and procedural safeguards to protect consumers' personal information.

6 11. Plaintiffs and the members of the class relied on Defendant's
7 representation that it had reasonable safeguards to protect their private information.

8 12. Defendant was at all times fully cognizant of its data protection
9 obligations and knew that it had to take affirmative steps to protect consumer private
10 information.

11 13. However, Defendant's treatment of the consumer private information of
12 consumers like Plaintiffs fell woefully short of its legal duties and obligations.
13 Defendant failed to ensure that access to its data systems was reasonably guarded
14 and failed to maintain security systems to detect and deter the unauthorized access
15 of third parties to consumers' personal and credit information.

16 14. Defendant knew that its failure to protect the personal and credit
17 information of consumers like Plaintiffs from unauthorized access would create a
18 serious risk of identity theft.

19 15. Defendant knew and should have known that its security system was
20 inadequate and that a data breach, similar to the one that occurred from May to July
21 2017, would eventually occur.

22 16. Defendant could have avoided the data breach occurred from May to July
23 2017 by enhancing the security of its data system.

24 17. Defendant continues to breach its legal duties and obligations by creating
25 a website, www.equifaxsecurity2017.com, a website for the purpose of checking
26 whether a consumer's private information was breached in the May to July 2017
27 breach.

28 18. The website is a stock installation of WordPress, a content management

1 system which does not provide enterprise grade security.

2 19. The website's Transport Layer Security Certificate does not perform
3 proper revocation checks.

4 20. A user name for administering the website was left in a page hosted to the
5 general public, www.equifaxsecurity2017.com/wp-json/wp/v2/users/. This website
6 was subsequently taken down.

7 21. Per whois.com, www.equifaxsecurity2017.com was not registered to
8 Equifax.

9 22. As a result of the data breach occurred from May to July 2017, Plaintiffs
10 had to pay \$29.99 to enroll in a credit monitor service for protection from potential
11 identity theft.

12 23. Defendant breached its duties and obligations by using and deploying
13 Struts, an open source model view controller framework for modern Java web
14 application under the Apache Organization to build Equifax.com and other internal
15 sites and Applications Programing Interfaces.

16 24. Defendant failed to conduct technical due diligence to ensure that new
17 software including but not limited to Struts, a third party vendor, qualifies for
18 reasonable security practices and standards.

19 25. Defendant's employees used company emails to create logins for non-
20 company related websites, such as Zoosk.com.

21 26. Defendant failed to train, require, and administer employees to
22 periodically change login passwords ensuring security of consumer private
23 information.

24 27. Defendant failed to turn off debugging code while running code in
25 production environment.

26 28. Defendant failed to encrypt consumer private information, including but
27 not limited to consumer social security numbers.

28 29. Defendant saved consumer private information in plain text.

1 30. Defendant failed to store consumer credit card information in a separate
2 and individual server that is not accessible from other drives.

3 31. Defendant saved consumer credit Card Verification Value in its databases.

4 32. Defendant failed to monitor database activity preventing breaches from
5 third parties.

6 **CLASS ACTION ALLEGATIONS**

7 33. Plaintiffs bring this action on behalf of themselves and all other members
8 of the Class, and allege all claims herein on a common, class-wide basis, pursuant to
9 Fed. R. Civ. P. 23.

10 34. The Class is defined as follows: California consumers whose personal and
11 credit information was collected and stored by Equifax Inc. and who had to pay to
12 enroll in a credit monitoring system because they were subject to a risk of data loss,
13 credit harm and identity theft as a result of the unauthorized access by third parties
14 to Equifax Inc.'s data from May to July 2017.

15 35. All the Plaintiffs are members of the Class as defined above.

16 36. Excluded from the class are all attorneys for the Class, officers of
17 Defendant, including officers and members of any entity with an ownership interest
18 in Defendant, any judge who sits on the case, and all jurors and alternate jurors who
19 sit on the case.

20 37. The exact number of aggrieved consumers in California can be
21 determined based on Defendant's consumer database.

22 38. The members of the Class are readily ascertainable and Defendant likely
23 has access to addresses and other contact information that may be used for providing
24 to Class members.

25 39. All the members of the Class have suffered injuries as alleged in the
26 complaint as a result of Defendant's failure to protect the personal and credit
27 information of the members of the Class from unauthorized access by third parties.

28 40. The class is so numerous that joinder is impracticable. Upon information

1 and belief, the data breach at issue affected millions of consumers in the State of
2 California.

3 41. There are substantial questions of law and fact common to the Class that
4 predominate over questions affecting only individual Class members including, but
5 not limited to, the following: whether Defendant owed a duty to the Plaintiffs and
6 the Class to adequately protect their personal and credit information; whether
7 Defendant breached its duty to protect the personal and credit information of the
8 Class by failing to provide adequate security; whether Defendant's conduct or lack
9 thereof was the direct and proximate cause of the breach of its systems which
10 resulted in the loss of millions of consumers' personal and credit information;
11 whether Defendant made a negligent misrepresentation by stating in its Privacy
12 Policy that it had reasonable physical, technical and procedural safeguards to protect
13 consumers' personal information; whether the Plaintiff sand Class members suffered
14 financial injury as a result of Defendant's conduct or lack thereof; whether the
15 Plaintiff and Class members are entitled to recover money damages.

16 42. Plaintiffs' claims are typical of the claims of the Class. Each member of
17 the class suffered risk of data loss, credit harm and identity theft as a result of
18 Defendant's negligent failure to safeguard their personal and credit information. The
19 injuries of the Plaintiffs and other Class members are identical, and Plaintiffs'
20 claims for relief are based upon the same legal theories as the claims of other Class
21 members.

22 43. Plaintiffs will fairly and adequately protect and represent the interests of
23 the Class because their claims are typical of the claims of the class, they are
24 represented by locally respected attorneys who have experience handling consumer
25 protection cases, who are qualified and competent, and who will vigorously
26 prosecute this litigation, and their interests are not antagonistic or in conflict with
27 the interest of the Class.

28 44. A class action is superior to all other available methods for the fair and

efficient adjudication of this lawsuit because individual litigation of the other Class members' claims is economically unfeasible and procedurally impracticable. Litigating the claims of the Class together will prevent varying, inconsistent, or contradictory judgments, and will prevent delay and unnecessary expense to the parties and the courts. A class action will be an efficient method of adjudicating the claims of the Class members who have suffered relatively small damages as a result of the same conduct of Defendant.

FIRST COUNT

(Negligence)

45. Plaintiffs incorporate and reallege all allegations set forth in paragraphs 1 to 44.

46. Defendant owed a duty to Plaintiffs and Class members to use and exercise reasonable care to protect their personal, financial, and credit information from an unauthorized access by third parties.

47. Defendant owed a duty to Plaintiffs and Class members to provide security, consistent with industry standards and requirements, to ensure that its systems and network, and the personnel responsible for them, adequately protected the personal and credit information of consumers.

48. Defendant breached the duties owed to Plaintiffs and the Class members by failing to exercise reasonable care and implement and maintain adequate security system sufficient to protect the personal and financial information of consumers.

49. Defendant's breach of the duty owed to Plaintiffs and Class members created a foreseeable risk of data loss, credit harm and identity theft.

50. As a direct and proximate result of Defendant's negligent conduct, Plaintiffs and the Class members have suffered injury and are entitled to damages in an amount to be proven at trial.

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COUNT TWO

(Negligent Misrepresentation)

51. Plaintiffs incorporate and reallege all allegations set forth in paragraphs 1 to 44.

52. Defendant stated in its privacy policy that it had reasonable physical, technical and procedural safeguards to protect consumers' personal information.

53. Defendant's representation was not true because unauthorized third parties accessed Defendant's data which contained personal, financial, and credit information of millions of consumers.

54. Defendant had no reasonable grounds to believe that it had reasonable safeguards to protect consumers' personal and credit information because it knew or should have known that its security system was inadequate.

55. Plaintiffs and Class members reasonably relied on Defendant's representation.

56. As a direct and proximate result of Defendant's negligent misrepresentation Plaintiffs and Class members have suffered injury and are entitled to damages in an amount to be proven at trial.

COUNT THREE

(Willful Violation of FCRA)

57. Plaintiffs incorporate and reallege all allegations set forth in paragraphs 1 to 44.

58. Plaintiffs and Class members are consumers entitled to protection of Fair Credit Reporting Act ("FCRA").

59. Defendant is a consumer reporting agency under the FCRA because for monetary fees it regularly engages in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties.

60. Under FCRA, Defendant is required to maintain reasonable procedures

1 designed to limit the furnishing of consumer reports to the purposes listed under
2 section 1681b of the act.

3 61. Defendant willfully and recklessly failed to maintain reasonable
4 procedures to limit the furnishing of consumer reports only for the purposes
5 specified in section 1681b of the FCRA, and the personal and credit information of
6 millions of consumers was disclosed to hackers who accessed Defendant's database.

7 62. Defendant willfully and recklessly violated the FCRA by providing
8 impermissible access to consumer reports to unauthorized third parties and by
9 failing to maintain reasonable procedures designed to limit the furnishing of
10 consumer reports to the purposes outlined in section 1681b of the FCRA.

11 63. Defendant was aware of its duties under the FCRA however failed to
12 maintain reasonable procedures to protect personal and credit information of
13 millions of consumers.

14 64. Defendant's willful and reckless conduct provided a means for
15 unauthorized intruders to obtain Plaintiffs' and Class members' personal
16 information for no permissible purposes under the FCRA.

17 65. Plaintiffs and the Class members have been damaged by Defendant's
18 willful or reckless failure to comply with the FCRA.

19 **COUNT FOUR**

20 **(Negligent Violation of FCRA)**

21 66. Plaintiffs incorporate and reallege all allegations set forth in paragraphs 1
22 to 44.

23 67. Plaintiffs and Class members are consumers entitled to protection of
24 FCRA.

25 68. Defendant is a consumer reporting agency under the FCRA because for
26 monetary fees it regularly engages in the practice of assembling or evaluating
27 consumer credit information or other information on consumers for the purpose of
28 furnishing consumer reports to third parties.

69. Defendant was negligent in failing to maintain reasonable procedures designed to limit the furnishing of consumer reports for the purposes outlined under section 1681b of the FCRA.

70. Defendant's negligent conduct provided a means for unauthorized intruder to obtain Plaintiffs' and the Class members' personal and credit information.

71. Plaintiffs and the Class members have been damaged by Defendant's negligent failure to comply with the FCRA.

COUNT FIVE

(Willful Violation of CCRAA)

72. Plaintiffs incorporate and reallege all allegations set forth in paragraphs 1 to 44.

73. Plaintiffs and Class members are consumers entitled to protection of Consumer Credit Reporting Agencies Act ("CCRAA").

74. Defendant is a consumer reporting agency under the CCRAA because for monetary fees it regularly engages in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties.

75. Under CCRAA, Defendant is required to maintain reasonable procedures designed to limit the furnishing of consumer reports to the purposes listed under section 1785.11 of the act.

76. Defendant willfully failed to maintain reasonable procedures to limit the furnishing of consumer reports only for the purposes specified under the section 1785.11 of CCRAA, and the personal and credit information of millions of consumers was disclosed to hackers who accessed Defendant's database.

77. Defendant willfully violated the CCRAA by providing impermissible access to consumer reports to unauthorized third parties and by failing to maintain reasonable procedures designed to limit the furnishing of consumer reports to the

1 purposes outlined in section 1785.11 of the CCRAA.

2 78. Defendant was aware of its duties under the CCRAA however failed to
3 maintain reasonable procedures to protect personal and credit information of
4 millions of consumers.

5 79. Defendant's willful conduct provided a means for unauthorized intruders
6 to obtain Plaintiffs' and Class members' personal information for no permissible
7 purposes under the CCRAA.

8 80. Plaintiffs and the Class members have been damaged by Defendant's
9 willful or reckless failure to comply with the CCRAA.

10 **COUNT SIX**

11 **(Negligent Violation of CCRAA)**

12 81. Plaintiffs incorporate and reallege all allegations set forth in paragraphs 1
13 to 44.

14 82. Plaintiffs and Class members are consumers entitled to protection
15 CCRAA.

16 83. Defendant is a consumer reporting agency under the CCRAA because for
17 monetary fees it regularly engages in the practice of assembling or evaluating
18 consumer credit information or other information on consumers for the purpose of
19 furnishing consumer reports to third parties.

20 84. Defendant was negligent in failing to maintain reasonable procedures
21 designed to limit the furnishing of consumer reports for the purposes outlined under
22 section 1785.11 of the CCRAA.

23 85. Defendant's negligent conduct provided a means for unauthorized
24 intruder to obtain Plaintiffs' and the Class members' personal and credit
25 information.

26 86. Plaintiffs and the Class members have been damaged by Defendant's
27 negligent failure to comply with the CCRAA.

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PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of the proposed Class, respectfully request that the Court enter judgment in their favor as follows:

1. Certifying the Class under Fed. R. Civ. P. 23 and appointing Plaintiffs and their counsel to represent the class;
2. Awarding Plaintiffs and the Class monetary damages as allowable by law;
3. Awarding Plaintiffs and the Class appropriate equitable relief;
4. Awarding attorneys' fees, costs and litigation expenses, as allowable by law;
5. Awarding punitive damages as allowable by law;
6. Awarding all such further relief as allowable by law.

JURY TRIAL DEMANDED

Plaintiffs, on behalf of themselves and the Class, demand a trial by jury on all triable issues.

DATED: September 10, 2017

KAASS LAW

By: /s/ Armen Kiramijyan
Armen Kiramijyan, Esq.
Lead Attorney for Plaintiffs

Hovsep Hovsepyan, Esq.
Attorney for Plaintiffs